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THE
IRISH PARLIAMENT
AND
IRISH PROPERTY.

RAILWAYS.

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THE
IRISH PARLIAMENT
AND
IRISH PROPERTY (RAILWAYS).

It would be unnecessary to discuss on first principles the purchase of the Irish Railways by the State, if those who have written on the subject, authorities high in the confidence of the National Party, had not in their treatment of it shown an *animus* as intense as it is unaccountable.

Prejudice, so misleading on all topics, is particularly unfortunate in this, because the question involves large issues of a practical nature, and of the highest importance to a large section of the Irish public, and because the manner in which it will be dealt with involves the moral and financial credit of the State amongst the nations of the earth.

The complete absence of all provocation or reasonable necessity for the attacks on Railway interests—these threats of “drastic legislation”, followed

by compulsory purchase—renders them doubly serious, and suggests what does not really exist, a desire to find justification for spoliation and confiscation.

If the State (speaking of Home Rule as a fore-gone conclusion) is honestly desirous of possessing the Irish Railways, and is prepared to pay the full value for them, let the State by all means have them, and the stockholders will not object; but let the State remember that a penny less than the full value in a purchase by paramount authority is confiscation. The consequences of a policy of confiscation will be easily seen: one consequence will be to scare out of the country the few still remaining sovereigns, whilst, unfortunately, we are not yet rich enough to dispense with money.

The stockholder, the Government, the trader, the public, and the taxpayer are all interested in the question.

The stockholder is simply a mercantile man, as ready to sell as he was to buy. He regards the question as one of price; if the price paid him is the value of his share, he is neither better nor worse than before; if he is compelled to take less, he is, to speak plainly, plundered of the difference. To ascertain the value and price, there are two courses—Agreement and Arbitration. Agreement on a compulsory sale, where there is only one purchaser, is practically impossible; and the arbitration of some experienced, independent, and impartial tribunal, mutually agreed on, is the only alternative—it being,

of course, a condition that both parties should be bound by the award, and that payment should be made in cash.

It is not, perhaps, immaterial that Railways number in their proprietary the most deserving and blameless classes in the community. The trader, the merchant, the professional man are the most numerous investors; many widows and orphans have here their sole dependence; and religious and charitable corporations of every creed are largely interested. Over £35,000,000 have been expended constructing Railways in Ireland; close on £2,000,000 are disbursed every year in working expenses, over the length and breadth of the land, in addition to nearly £1,300,000 dividends, &c., the largest portion of which is expended in the same country, the Railways bring the produce of the farthest districts of Donegal, Galway, Clare, Kerry, and Cork, to markets they would never otherwise reach, and in return carry the benefits of civilization to these wild regions. Aggression of any kind on Railways is aggression on one of the best friends this country has yet found, who possesses nothing for which he has not paid. Landlord and tenant, unanimous in nothing else, have alike thought Railways fair prey, and bled them to depletion, consequently the return on capital invested is very much under the return that would content a business man on his trading.

To the members of the Government the State purchase of Railways presents many temptations,

amongst which to be mentioned, only to be dismissed, is the enormous patronage it would place in the hands of the ministry. It is not, however, lightly to be assumed that Irish statesmen, to make places for Railway ministers and for friends, and political followers will evict Irishmen of experience in the highly technical work of Railways, who have grown old in the service, or who may be yet in the height of mental and bodily vigour.

To the Government the question presents aspects second in importance only to that which it presents to the stockholder. How is the purchase to be effected?—what are the consequences?—will it pay? are questions which the Chancellor of the Exchequer will have to ask himself, should he be called on to consider the subject.

The financial abilities of the new Government are yet unknown; but it may be assumed that, like all the other abilities of the Party, they will be of the first order. They will, doubtless, recognize the fact that they have their character as financiers, and their credit as a Government still to make, that repudiation of any just right or interest will stamp their securities with the value of Costa Rica and Turkish bonds, and send them to float their loans in Houndsditch (although secured by the Railway revenues, cut and dried), and plunge the nation into embarrassment and bankruptcy. Assuming the Government will realize these indisputable facts, and that the price they pay will be the *full value* of the Railways (say twenty-five years' purchase of the

average dividends of the last ten years applied to the existing capital), they ought, *cæteris paribus*, to float their loans at $3\frac{1}{2}$ per cent.; should money cost them more they will have no business to touch Railways.

The figures for the calculation have not yet been published, but an illustration of the effect of a purchase can be drawn from the figures of the year 1884. In that year the capital was £35,754,001; revenue (gross), £2,828,241; dividends, £1,252,124. On this basis the profit on conversion of stocks would be £150,000, and on working not more than £100,000, probably not a tenth of that sum; and with this £250,000 all the improvements in rates and facilities which are to justify and require this purchase must be effected. Whether the game is worth the candle is a question for the consideration of the Government. If they purchase they will find themselves face to face with more grievances, imaginary and real, than ever beset the path of Don Quixote, and will have to right more wrongs. Let me illustrate:—A lounger at the city club, a squireen loitering about his stables, suddenly remembers he has an appointment down the Railway. He rushes off to the station with all the energy of the *dilettante* man of business, and finds that he cannot have a train at a whistle like a cab, has actually to wait an hour, and misses his appointment; how just and how natural is his indignation: what legislation, he very properly remarks, can be too drastic for such a state of affairs?

Again, a passenger misses a train advertised to start from a junction after the arrival of his train ; or he wants to go across country, say from Ballina to Tuam, and finds he has to wait an hour at one junction and two hours at another. A hot axle brings a train to a stand twenty miles from any hotel. Or a brewer in Kilkenny finds he cannot compete in Dublin with his neighbour at Cork. Or a trader, when his cask of whiskey has been delivered to him, finds it has been spiled and two gallons taken out and replaced with water—not even clear water, which would only save the honest man trouble, but with dirty water ; or he finds a cow dead in the truck on arrival at the North Wall ; or he finds he can get his reaping-hooks and sugar in Galway cheaper from Glasgow on a through rate than from Dublin on a local. These are some of the incidents of Railways as they now exist ; but is it so certain that State purchase will alter them ? Is it clear the State may not make matters worse, and, moreover, leave the victim without the remedy he at present possesses ?

Will the State pay the expenses of the passenger who loses the connexion, as the Railway must do ? Will the State give cross-country connexions as good as main line connexions ? It is on most systems physically impossible, unless by running trains out of all proportion to the traffic, and at an enormous loss ! Will the State engine never heat an axle ? Will the gold band with the Royal initials on the signalman's cap be an open sesame to his eyes when he

has swallowed his share of the spiled whiskey ? Will the State compensate the wretched paralytic whose nerves were shattered in that collision, and support the widow and orphan whose breadwinner had his life crushed out under that twenty-ton engine ?

But the rates and fares are the great secret of prosperity for this country.

Recollect you have only £250,000, and cannot honestly have more, out of which you are not only to multiply facilities, but to reduce and systematize rates and fares ; and how are you to do it ? Will you carry a cow, as a letter or parcel, two hundred miles at the price of one mile ; or will you adopt the opposite principle, and charge two hundred times that amount ? One plan is as bad as the other ; a fixed rate will ruin the country, and will only be worked at the expense of the taxpayer ; and a mileage rate will cause famine in some places and plethora in others, and will give sea carriage an impetus such as it has not seen in this country since the Crimean War.

It was not yesterday that Railways commenced to study what is the proper mean between mileage and fixed rates. Competition is the sole disturbing element in a perfectly graduated system of rates and fares—competition between Railways and with water carriers. Competition explains why the Galway man can get his goods cheaper from Glasgow than from Dublin, why Dublin porter can be sold cheaper in

Cork than in Kilkenny. But competition is wholesome: it is good for the workman and his family, it keeps commodities cheap. It is no injustice to Mullingar that reaping-hooks are cheaper in Galway, nor to Kilkenny that porter is cheap in Cork, and that Cork beer is cheap in Dublin. The experience of forty years has taught Railways how the balance can be best adjusted between a low rate at competitive points and a just and reasonable profit at non-competitive points. It is the interest of the public that Railways should live and pay and develop; and if, at certain points, rates are unfair or unreasonable, there is a law which can set them right. If anomalies still exist, time and increased prosperity in the country is the proper cure.

It is easy to reduce all the rates and fares in the country by forty per cent.; all required for this is confiscation by Act of Parliament, the result of which would be to distribute £35,000,000 of the Irish stockholders' money amongst the traders and consumers; it is difficult to see what advantage this would be to the country at large. To whittle down the value of Irish Railways by "drastic" legislation, and to buy the diminished stump at a "fair price," bears the same relation to open confiscation that picking pockets does to highway robbery. The result is the same, the *modus operandi* less honest. It may be safely assumed that the Home Rule Party will not adopt that course, and will not award to the innocent proprietary the penalty of felons; and

thence their action on Mr. Mundella's Bill will be a declaration of their Railway policy for Ireland.

Rates for Irish produce are as low as they well can be, having regard to the fair interests of the Companies. Irish manufacture should not, and does not, depend on Railway rates. Dublin, Belfast, Cork, Waterford, Limerick, and Galway are the principal centres for manufacture, distribution, and use of goods; but these, as well as a dozen other of our island towns, are maritime, and open to sea carriage; so that unless the Government are prepared to carry goods absolutely for nothing, or to put heavy duty on imports, it cannot through carriage effect the *renaissance* of Irish manufacture. Imposts will neutralize in the hands of the consumer the benefits of home manufacture, and gratuitous carriage will only enrich the trader at the expense of the taxpayer, and add nothing to the wealth of the nation. To protect our maritime towns by duties against English goods is not to be thought of: it is a dangerous lesson which England could easily retort by taxing the few exports we possess.

The true policy is to encourage the development of Irish Railways instead of depressing them; to lend money at easy rates; to confirm them in their rights, and restore public confidence in their securities; to encourage the expenditure of money in the country, and to discourage the exodus of capital. There is no reason why Railways, like other Irish interests should not benefit by the

introduction of Home Rule. Were the exportation of necessaries no longer requisite, the riches of the country would quickly swell, the development of natural resources—the fisheries and industries—would follow, and the exportation of superfluities recall our exiled gold.

Were the Railways in the hands of the State two more problems would arise which do not obtain at present.

Our coasts are fringed with coasting traders, and our canals and navigable rivers occupied by Companies, carrying on an active competition with the Railways. How will the State treat these rivals? Will it be defeated and allow them to take the competitive traffic? Or will it kill them by close competition at the expense of the taxpayer; and what in either event will it do with the intermediate rates? Will it strangle competition by Act of Parliament and so far abolish fair trade? Will not every town which now enjoys the benefits of competition cry out with the voice of a giant against any interference with its privileges and raise one half of the country in arms against the other half?

Again, the scheme will stifle private enterprise and further Railway extensions, or will plunge the State into unlimited expenditure. If Government once begins to build Railways there is not a town in Ireland but can fairly demand a Railway at the public expense, and who will adjust the incidence of the necessary taxation. Recent experience shows that local taxation, even with State aid, is unable to

raise capital ; and why should Belfast pay for a Railway at Bantry, or Cork or Dublin, already heavily taxed, pay for one in Donegal ?

The Home Rule Bill has lately been issued ; it contains sections against impairment of the rights, property, and privileges of Companies. The sections as drawn can be evaded. Any objection raised to them would obviously demonstrate the wisdom of their insertion and the necessity for their retention in the measure.

Considerable condensation has been practised in writing the foregoing ; but should time permit a return to the subject of Railways, certain parts of the topics touched on will be further illustrated and explained.

April, 1886.

